FACTS ABOUT:

FEDERAL MARKETING ORDERS FOR FRUITS AND VEGETABLES—IN BRIEF

On each trip to the store, food shoppers can expect to find a regularly delivered supply of high quality fruits and vegetables awaiting them. A share of the credit for this must go to programs known as "marketing orders."

There are 47 of them at present for a wide variety of fruits, vegetables, and specialty crops. Included are all--or nearly all--the nation's fresh citrus fruits, fresh pears, nectarines, olives, raisins, prunes, walnuts, almonds, filberts, hops, dates, and papayas. They operate to help insure a stable, orderly supply of good quality produce.

Growers initiate Federal marketing orders and design them with cooperation from the U.S. Department of Agriculture. Each program--dealing with a crop grown in a specific area--is tailor-made to cope with the industry's marketing problems. By law, a marketing order for a fruit or vegetable must be limited to the smallest regional production area practicable.

It may be issued by USDA only after a public hearing at which growers, handlers, and consumers may voice their views, and after approval in a referendum by two-thirds of the growers voting, either by number or the volume of production represented. The decision to issue an order and hold a referendum on it must be based on evidence from the hearing.

Once a program is in effect, an industry-nominated committee of growers or growers and handlers recommends specific marketing provisions to apply during each crop season. The Secretary of Agriculture and his staff of marketing specialists in USDA's Agricultural Marketing Service see to it that operations under each program are in the public interest and within legal bounds of the enabling law, the Agricultural Marketing Agreement Act.

Keeping the poor ones at home

Written into nearly all the 47 programs are minimum quality requirements backed up by Federal-State inspection. This keeps the less acceptable qualities and less desirable sizes of a crop off the market. In other words, the big, juicy pear that makes customers happy goes to market, and the poorly shaped, overripe, shriveled, and damaged pear with a lot of waste stays at home. It costs money to harvest and market wasted products, and much of that cost is finally paid by consumers.

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For 12 specified fruits and vegetables now covered by marketing orders,* Federal law requires any competing imports to meet requirements for grade, size, quality and maturity that measure up to those set for the same domestic commodities when marketing order regulations are in effect. Currently, for instance, oranges measuring less than 2-3/8 inches in diameter or less than U.S. No. 2 grade are kept out, since identical restrictions are applied to domestic shipments of Texas oranges by a federal marketing order.

These import regulations aren't set up as trade barriers. They accomplish the same purpose as the marketing order itself--to see that poor-quality produce doesn't drive customers away or push prices down unreasonably for growers. Since import regulations for oranges became effective in the early 1960's, U.S. imports have been much larger than in earlier years.

Fitting crops to the market

Many marketing orders also provide for keeping the supply of a commodity at levels that consumers can use. This is done by allotting the amounts of the commodity that can be marketed in any week, month, or season. With the supply evened out over the period of availability, the produce flows to market more nearly as needed. Grapefruit that is not needed this week, for instance, can be "stored" on the tree until next week in better condition than if it were allowed to stack up and spoil in packing plants or foodstores.

The result is to reduce gluts and shortages on the market and avoid sharp fluctuations in price.

Cutting costs and building markets

Aside from quality and volume regulations, most marketing orders authorize marketing research and development projects to cut marketing costs and expand markets for products. For example, projects under various marketing orders:

- --Helped Idaho-Oregon onion growers get their product to market by rail in the best possible condition and to inform consumers about onions and their uses;
- --Resulted in many new date products for snacking and baking; and
- --Developed a new "jumbo pack" method of sending cherries to market that has meant much cheaper, fresher cherries for consumers and lower handling costs.

These projects are financed by assessments collected from handlers of the commodities.

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*Avocados, dates (other than dates for processing), grapefruit, Irish potatoes, olives (other than Spanish-style green olives), onions, oranges, limes, prunes, raisins, tomatoes, and walnuts.

With the aid of Federal marketing orders, farmers are thus solving their own marketing problems and producing for a market, rather than marketing whatever happens to be produced. In fiscal year 1975 (July 1, 1974-June 30, 1975) products covered by these programs were worth $3.5 billion at the farm.

At the same time, consumers derive the benefits of a stable, orderly supply of fruits and vegetables with fewer fluctuations in price, supply and quality than would otherwise occur.

For more information

Send your name and address to Information Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, D.C. 20250 and ask for PA-1095, "Marketing Agreements and Orders for Fruits and Vegetables." Please include your zip code.

Prepared by:

Information Division
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U.S. Department of Agriculture
Washington, D.C. 20250